

Dear Secretary Kawamura and members of the California State Board of Food and Agriculture:

I had the opportunity to attend the listening session in Sacramento on May 29, 2008. It was an excellent activity and I commend you for taking the initiative to offer us all such a forum to address the present and future needs of California agriculture.

I do not wish to reinforce that which has already been voiced by those in attendance. Our future depends on the present and certain segments of the agricultural infrastructure are in need of rebuilding just to put us back where we were 10 years ago.

The California walnut industries' vision is an environment in which all efforts have been made by the farmers, handlers, processors and government to continue to reduce pesticide use, conserve our resources and to provide prosperity for all who are involved in agriculture. However, this must be done so as not to disrupt the evolution of change, bring undue burdens on the participants, maintain local food chain supply and be cost effective.

Importantly, we must maintain strong export markets to accomplish this end. Unfortunately, for a variety of reasons, our exports are always threatened by many influences outside our control such as tariffs, import quotas, non-tariff trade barriers, competition from extremely low cost producers (China for example) and logistical disadvantages.

This e-mail responds to the final point, logistical disadvantages. Approximately 45% of walnut production in California is exported. Roughly 20% of production must make it to the export marketplace in October and November; a window of 6-7 weeks to assure it sells through to the consumer during the holiday season. We are at a logistical disadvantage with many competitors such as China, Chile, France, North Korea and Turkey. Shipments must be timely.

We have experienced serious problems in obtaining containers (usually the Port of Oakland) and as a result more late shipments are made to customers damaging our service levels, putting downward pressure on price in many cases and losing business because the product is not being received on time.

This situation must be addressed and we are sure that we do not stand alone. The majority of our industries' growth over the past 20 years is attributable to export market shipment increases. We cannot afford to see this erode. The efforts of CDFA to help solve this shipping bottle neck for perishable and semi-perishable food should be a priority.

Thank you.

Sincerely,

Dennis A. Balint
CEO
California Walnut Commission